

**MAINE REAL ESTATE COMMISSION**  
**COURSE GUIDELINES**  
**ASSOCIATE BROKER LAW**  
**Course Level: Associate Broker**  
**Minimum 42 Classroom Hours**  
**Revised & Effective December 21, 2004**

*Course Overview: The Real Estate Commission has identified the following as the minimum competencies required of a licensee at the Associate Broker level regarding real estate law. Successful completion of this course, combined with successful completion of the Associate Broker Practice course, qualifies a candidate to sit for the licensing examination. Candidates must submit a Request for Examination Authorization Form to the Real Estate Commission together with original transcripts for the courses to receive permission to take the licensing examination. Candidates completing the two courses as part of a business degree program may be eligible to waive the licensing examination.*

**I. Maine Laws and Rules Governing Activities of Licensees (22%; approximately 9 hrs )**

**A. Real Estate Commission**

1. Powers
2. Investigations and hearings
3. Sanctions

**B. Minimum standards of practice**

1. Activities requiring a license
2. Broker and brokerage definitions
3. Designated broker/sales agent relationship
4. Listings/brokerage contracts
5. Offers to purchase/sales contracts
6. Handling of monies
  1. Earnest money
  2. Trust accounts
7. Material disclosures
  1. Disclosure requirements
  2. Required property disclosures
    - a. Water supply
    - b. Waste disposal
    - c. Hazardous materials
8. Commissions
9. Advertising

**II. Law of agency (13%; approximately 6 hrs)**

- A. Types of agency relationships and fiduciary responsibilities of each (buyer, seller, appointed, disclosed dual and sub-agency)
- B. Agency/brokerage contracts
- C. Obligations to clients and customers
- D. Creation and termination of agency relationships
- E. Disclosures (including Agency Relationships Form #2) and acting in self-interest
- F. Handling multiple offers

**III. Contract Law (22%; approximately 9 hrs)**

- A. Contract elements, types (e.g., valid, enforceable), and terminology
- B. Brokerage agency contracts, listing and buyer agency agreements, and required elements
- C. Purchase and Sales contracts and contingencies
- D. Independent contract agreements
- E. Leases
- F. Installment sales and options

**IV. Property Ownership and Transfer (correctly interpret deeds) (31%; approximately 13 hrs)**

- A. Definitions, descriptions and ways to hold title**
  - 1. Elements of real and personal property
  - 2. Property description and legal description
  - 3. Estates in real property
  - 4. Forms, rights, interests and obligations of ownership
- B. Land use controls and restrictions**
  - 1. Public (e.g., zoning, taxation, police power)
  - 2. Private (e.g., liens, encumbrances, recording and priorities, subdivision/association rules)
- C. Transfer/alienation of title to real property**
  - 1. Voluntary and involuntary
  - 2. Deeds, warranties and defects in title
- D. Explain deeds and easements**
  - 1. Types of ownership
  - 2. Methods of transfer
  - 3. Adverse possession
  - 4. Recording system
  - 5. Transfer tax
  - 6. Nonresident withholding tax
- E. Sources of information regarding property description**

**V. Maine Landlord Tenant Act (2%; approximately 1 hr)**

**VI. Land Use Regulations (7%; approximately 3 hrs)**

- A. Subdivisions**
- B. Mandatory Shoreland Zoning**
- C. Municipal zoning**
- D. Site Location of Development**
- E. Underground Oil Storage Tanks**
- F. Other land use topics**
  - 1. Minimum lot size
  - 2. Land Use Regulation Commission and Department of Environmental Protection
  - 3. Open Space Tax Law and Tree Growth Tax Law
  - 4. Protection of Natural Resources

**VII. Other Maine & Federal Laws Impacting Real Estate Brokerage (3%; approximately 1 hr)**

- A. Lead-based paint**
- B. Fair Housing**
- C. Condominium law**
- D. Americans with Disabilities Act**
- E. Antitrust and marketing controls**

**EVALUATION TECHNIQUES:** Student performance will be evaluated based on a minimum of three quizzes and a comprehensive final exam. The comprehensive quizzes and final exam required by the Commission may not be open book. Attendance and participation shall be taken into consideration. A final grade of at least 75% is required to pass the course.